



February 1, 2002

VIA HAND DELIVERY

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

**RE: D.T.E. 01-28, Western Massachusetts Electric Company, Proposed Extended
Metering Options Tariff, M.D.T.E. No. 1037B**

Dear Secretary Cottrell:

Enclosed for filing are an original and nine copies of a proposed, revised tariff, Extended Metering Options, M.D.T.E. No. 1037B, for Western Massachusetts Electric Company ("WMECO" or the "Company"). The Company is requesting the Department of Telecommunications and Energy ("Department") approve this tariff effective March 1, 2002. Pursuant to 220 CMR 5.03, this is WMECO's Letter of Explanation. A \$15 filing fee is enclosed.

As part of its June 29, 2001 Order in D.T.E. 01-28, the Department stated that Companies could file revised tariffs for additional services as they were able to offer additional advanced metering services to their customers. Order, p. 3. WMECO is now able to offer two new optional services, a power outage notification service and a surge protector service. These new services are described below.

WMECO will offer its residential and small business customers a power outage notification service that will notify both the customer and WMECO when a power outage occurs. This service would allow the customer to take whatever actions are appropriate to eliminate or prevent adverse effects of power outages, such as extreme temperatures, disabled security and medical systems, inoperative plumbing systems or, in the case of some small businesses, inoperative refrigeration systems. The customer also has automatic notification to WMECO of the outage. The service also notifies the customer and WMECO when the power is restored.

The program is particularly attractive to customers with elderly, disabled, medically dependent or unsupervised under-age occupants or dwellings that are seasonally occupied. Small businesses, especially those with refrigeration, also would have a strong interest in the service. These businesses are not normally occupied 24 hours per day. The power outage notification service would notify the owner to take action to protect their establishment against loss. A 1998 utility industry study indicated over 80 utilities were offering an outage notification service with approximately 100 additional utilities planning to offer the service within five years.

The power outage notification device plugs into any 120-volt receptacle and phone line. When power is not detected, the unit will call a predetermined number to a data center and transmit up to a 15-digit

code that identifies the unit and its location. WMECO intends to use the customer's account number to identify the device and location. The data center will be programmed to call WMECO and the customer. The customer can elect to have his/her phone, cell phone, pager, e-mail or fax contacted. The customer can further change the number to be contacted through the use of the data center's web site. Up to a four-minute delay in calling can be programmed into the unit to account for momentary outages and for inadvertent de-energizing of the device through unplugging or shutting off the supply breaker. The device, if it encounters a busy signal, will attempt to retry the number up to seven times. The time interval between attempts is programmable. When power is restored, the device calls the data center again and transmits the information necessary to say the power has been restored and the location of the device. The data center will inform the customer and WMECO that power has been restored. The unit tests itself monthly by calling the data center and transmitting the location of the device and that it is working. Any problems with the device will be transmitted to WMECO who will follow up with the customer. All calls through the data center are computer generated with no personal intervention.

WMECO is proposing a monthly charge of \$4.95 for this service. WMECO will educate customers about this service through direct mail, bill insert and e-commerce on the WMECO web site.

All requests for the power outage notification service will be processed through the Customer Service Center ("Center"). The Center's representatives will be trained to answer customer questions and to enter data into the customer service system for billing and accountability purposes. The Center will also issue an order to the device manufacturer to program the identification and operational codes and to ship the device directly to the customer with installation instructions. The manufacturer will also program the data center to accept the coding when the device calls for its self test or for an outage.

The second new service that WMECO will offer its residential customers is a surge protector service that will protect a customer's appliances and electronic devices against any electric surge damage. If damage does occur because of an electric surge, the manufacturer of the surge equipment will pay for repair or replacement of the customer's damaged equipment up to preset limits.

Many WMECO residential customers have sophisticated electronic devices within their homes. Recent surveys of WMECO residential customers indicated 43% have computers, 27% have large screen TVs and 37% have "high performance" component stereo systems. Also, the growth in the number of home offices and businesses continues. Customers who currently have no surge protection were asked if they were interested in obtaining surge protector service from their electric company for a monthly fee. Fourteen percent said they were very interested with another 53% saying they were somewhat interested. A Chartwell survey of utilities across the nation indicates 15% of utilities currently offer surge protector services to their customers and another 13% are planning to offer this service in the near future.

The whole house surge protector service contemplated by WMECO is unique to a regulated electric utility. The primary surge protector device must be inserted between the electric meter and the customer's meter socket. Other surge protector devices are installed on electronic equipment within the dwelling. A requirement of the warranty is that both the primary surge device and the individual

equipment devices must be in place for the warranty to be valid. Since WMECO employees are currently the only people allowed to remove a meter, it is the only company that can install this primary surge protection device.

The whole house surge protector protects the house wiring and most electromechanical devices within the structure by diverting high surge currents into the devices protection scheme for both line to ground and line to line surges. The whole house surge protector absorbs most of the energy from a surge and allows the local surge protection devices like those found on computers to work properly.

The device comes with a product and protected equipment warranty of 15 years. The device will absorb multiple surges before failing. At its failure point, an audible alarm sounds so the customer knows the device must be replaced. The failed whole house surge protector is replaced at no charge to the customer. The protected equipment also carries a warranty with a liability limit of \$10,000 over the life of the device. The manufacturer handles all warranty claims and can elect to pay for repair or replacement of the damaged equipment. Equipment protected with the whole house surge protector includes washers, dryers, refrigerators, small appliances, air conditioners or other major home appliances that are mechanical in nature and the electronics associated with these appliances. It does not cover well pumps, swimming pool pumps or other devices that are located outdoors or products which are microprocessor based (computers, home theaters, etc.) or which have an alternate electrical path like a phone line or coax cable. Medical and life support equipment is expressly excluded.

Protection under warranty of electronic devices (microprocessor based) within the home requires additional surge protection located at the device. These devices protect against any surge that may come through the electrical system as well as surges that come through either cable TV or phone systems. A customer must have both a whole house surge protector and the individual surge devices to qualify for the warranties on the electronic equipment. The electronic equipment warranties are lifetime and liability limits range from \$250 to \$50,000 depending on the surge device. A LED warning light is displayed if the protector has failed. The device is replaced at no cost to the customer.

WMECO will offer the whole house surge protector service to customers for \$4.95 per month. The individual surge protectors for the most popular customer electronic equipment will be provided to customers for a one time installation fee of \$62 with customers having the option of ordering additional devices directly from the manufacturer. This helps to ensure that customers have the proper equipment in place for the warranties to take effect.

WMECO's target market is residential customers with the primary market segment being home office customers and a further segmentation for areas with high numbers of lightning strikes. Marketing will be predominately through direct mail, bill inserts and e-commerce on the WMECO web site.

As with the power outage notification service, all requests for the surge protector service will be processed through the Center. The Center's representatives will be trained to answer customer questions and to enter data into the customer service system for billing and accountability purposes. The Center will also issue an order to WMECO's Meters and Service Department to install the whole house surge protector and to the manufacturer to ship the individual surge protectors to the customer. Customers will be given instructions on

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how to process any claims for damaged equipment. All warranty issues are handled through the manufacturer with WMECO assisting where needed.

WMECO wishes to begin offering these new optional metering services March 1, 2002 and requests Department approval of the tariff by that date. Please contact me at (617)748-5141 should you have any questions in regard to this filing.

Very truly yours,

Donald M. Bishop

Manager, Regulatory Policy - Massachusetts

Enclosures

cc: D.T.E. 01-28 Service List (electronically)
Kevin Brannelly, Director, Rates and Revenue Requirements